

P 271034Z AUG 09  
FM AMEMBASSY LUSAKA  
TO SECSTATE WASHDC PRIORITY 7238  
INFO MILLENNIUM CHALLENGE CORP 0169

C O N F I D E N T I A L LUSAKA 000594

FOR AF/S AND DRL

E.O. 12958: DECL: 08/21/2019  
TAGS: [PHUM](#) [PGOV](#) [PREL](#) [ZA](#)  
SUBJECT: MINISTER MULONGOTI DEFENDS ZAMBIAN POLICIES

REF: A. LUSAKA 552  
[1](#)B. LUSAKA 508

Classified By: Ambassador Donald E. Booth, reasons 1.4, b/d.

[1](#)1. (U) Zambian Minister of Works and Supply, as well as acting ruling party MMD spokesperson and rumored member of President Banda's inner circle of advisers Mike Mulongoti discussed the Government of Zambia's (GRZ) troubling record on freedom of speech and press of late. Mulongoti went to the U.S. on an IV program in 2000 while he was an MMD parliamentarian. Mulongoti left the MMD in 2001 after trying to impeach former President Chiluba for gross misconduct following Chiluba's failed attempt to secure an unconstitutional third term in office. Mulongoti rejoined the MMD after Mwanawasa's election in 2002 and has served as Deputy Minister at both Defense and Foreign Affairs, and most recently as Minister of Information. End Summary.

Chiluba Outcome Best for Zambia, or Best for Banda Government?

[1](#)2. (C) During an August 21 meeting with the Ambassador, Mulongoti described former President Chiluba's not guilty verdict as, "the best outcome for Zambia." He said the verdict meant that Chiluba's considerable number of followers would not cause trouble, that the GRZ does not have to deal with where to find an appropriate facility to incarcerate a former head of state, and that President Banda will not be forced into having to decide whether or not to pardon Chiluba. When the Ambassador asked whether the GRZ still plans to register the UK civil case judgment against Chiluba (an approximately \$40 million judgment) in Zambian courts, Mulongoti did not reply directly but said the seven-year criminal trial was probably "punishment enough" for Chiluba, as he had been prevented from traveling without GRZ permission. Mulongoti did not reply to the observation that Chiluba has continued to be treated by the current government as an honored former head of state. Mulongoti, a trained lawyer, said the other charges the Task Force had prepared but not yet pursued could not now be prosecuted because the six-year statute of limitations had run out. Mulongoti said he did not know whether restoration of Chiluba's immunity, which Chiluba requested immediately following his August 17 acquittal, would affect enforcement of the civil case verdict should it be registered in Zambian courts, observing that it was a complicated legal question. Mulongoti offered that the Chiluba criminal case verdict could have implications for Regina Chiluba's appeal of her conviction of receiving stolen public funds from Chiluba. If Chiluba is not guilty of taking state resources, how can his wife be convicted of receiving stolen funds from him? The Ambassador emphasized that the USG is interested in seeing the GRZ effectively tackle corruption and putting no one above the law. He expressed concern that Zambia might have problems with the MCC corruption indicator in 2010-11, about the time MCC Compact would normally be funded, as a result of the Chiluba case and other corruption issues like embezzlement of Ministry of Health funds.

NGO Bill and other Pending Legislation

[1](#)3. (SBU) Mulongoti noted the NGO bill (ref B) had been passed on August 14, just before parliament recessed that day. He said the final bill would be made public only after President

Banda signed it. Banda had not signed it as of August 21, according to Mulongoti. The Ambassador reiterated our concerns about the bill that had been proposed by government to parliament. Mulongoti energetically insisted that if government must be transparent, the private NGOs must be transparent as well. He said the GRZ cannot accept an NGO saying its function is to support orphans and then do nothing with orphans but instead get involved in political activities.

¶4. (C) Mulongoti confirmed that the long awaited Freedom of Information bill will go forward, most likely in the session of parliament that begins in October. He was evasive on prospects for creation of the Financial Intelligence Unit (FIU) and other anti-corruption legislation such as whistleblower protection, asset disclosure and asset forfeiture for which the USG provided technical assistance several years ago but which has never been considered. He explained that corruption is driven by Zambian culture, where chiefs are expected to provide for their subjects/constituents. Mulongoti asserted that most ministers leave office poor and that it is so hard to meet constituents' expectations that 60 percent of all MPs and 80 percent of ministers are not re-elected (NOTE: Embassy is looking into this unlikely statistic.). This cultural driver of corruption has been compounded by urbanization. While in rural areas families can fend for themselves, those who migrate to urban areas rely on the family member with a job to provide for all the unemployed family members. This puts great pressure on those employed and leads them into corrupt practices. He asserted that tackling corruption would thus require an "evolutionary" approach. The Ambassador pointed out that there is a distinction between petty/survival corruption and higher level corruption and that it was hard to see how Zambia could afford to deal with the latter on an evolutionary timetable.

¶5. (U) Mulongoti said the Attorney General was drafting the regulations needed to implement the Procurement Reform Act. He offered no timeframe for completion of the regulations and their implementation. Ambassador stressed how much Zambia could benefit from transparent and competitive procurement.

#### Public Works Matters

¶6. (SBU) The Ambassador expressed regret that the Ministry had not been able to convince the previous contractor to finish the U.S. CDC's pediatric ward and offices project and reported that given the project's importance, we had terminated the old contract and hired a new contractor to finish the building. Mulongoti said he had inherited the problem when he became Minister of Works last November. He said he had called in the contractor, who explained that he had over-extended himself and had used U.S. funds to advance other projects. Mulongoti said he berated the contractor but had concluded the money was gone and he could not be forced to finish the building. He said Zambian contractors often over-extend themselves and that is why former President Mwanawasa had blacklisted dozens of contractors. He expressed interest in participating in the dedication of the facility.

¶7. (C) Comment: Mulongoti tried to come across as an understanding friend of the U.S. He seemed to want to use the meeting to prepare us for further disappointing news on the Chiluba corruption front (Note: subsequent to this meeting the Government dismissed the head of the Task Force on Corruption and withdrew, at least temporarily, the appeal against the Chiluba verdict). His suggestion that corruption must be dealt with in an "evolutionary" way in order to avoid disruption in the country was further testimony to this government's inherent conservatism, its unwillingness to rock the boat or tolerate those who advocate for change.